



March 22, 2005

Johnston man is convicted of tax fraud in connection with art sale

A federal jury in Providence today found **Rocco P. DeSimone**, of Johnston, guilty of filing a false tax return, finding that he fraudulently claimed income from the sale of art as a long-term capital gain. The jury found DeSimone not guilty of two counts of wire fraud in connection with the art sale.

United States Attorney Robert Clark Corrente announced the verdicts, which the jury returned after about four hours of deliberation that followed a five-day trial in U.S. District Court, Providence. DeSimone, 52, of 103 Hopkins Avenue, remains free on unsecured bond pending sentencing, which U.S. District Court Judge William E. Smith scheduled for June 17.

During the trial, Assistant U.S. Attorneys Luis M. Matos and Dulce Donovan presented evidence that DeSimone brokered the sale of three paintings in 1999 for a total of \$8.3 million – “Canal at Zaandam,” by Claude Monet, for \$4.65 million, “Les Mouettes,” by Henri Matisse, for \$650,000, and “Jeune Fille Blonde,” by Pierre Auguste Renoir, for \$3,000,000. The government presented evidence that DeSimone told the owner of “Canal at Zaandam,” that he’d sold it for \$2.7 million rather than \$4.65 million. DeSimone pocketed \$1.7 million – most of the difference between the actual sale price and the price he reported to the owner.

At trial, DeSimone claimed that he actually had sold the painting to himself and then resold it at a profit. The government presented evidence that, in his federal tax return for 1999, DeSimone fraudulently claimed that he had owned the painting for at least a year so he could report the income as long-term capital gains rather than ordinary income, which is taxed at a higher rate. By falsely reporting the income, DeSimone avoided paying about \$420,000 in taxes.

The maximum penalty for filing a false tax return is three years imprisonment and a \$100,000 fine.

The **Internal Revenue Service, Criminal Investigations**, and the **Federal Bureau of Investigation** investigated the case. Assistant U.S. Attorneys Matos and Donovan are prosecuting it.

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